

# The Gazette of India

## EXTRAORDINARY PART II—Section 1 PUBLISHED BY AUTHORITY

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### MINISTRY OF LAW (Legislative Department)

*New Delhi, the 29th April, 1960/Vaisakha 9, 1882 (Saka)*

The following Act of Parliament received the assent of the President on the 28th April, 1960, and is hereby published for general information:—

### THE FINANCE ACT, 1960

No. 13 OF 1960

[28th April, 1960]

#### An Act to give effect to the financial proposals of the Central Government for the financial year 1960-61

BE it enacted by Parliament in the Eleventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Finance Act, 1960.

Short title  
and com-  
mencement.

(2) Save as otherwise provided in this Act, sections 3 to 17 inclusive shall be deemed to have come into force on the first day of April, 1960.

2. (1) Subject to the provisions of sub-sections (2), (3) and (4), for the year beginning on the 1st day of April, 1960,—

Income-tax  
and super-  
tax.

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge, calculated in either case in the manner provided therein; and

(b) super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B

11 of 1922.

and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge, calculated in either case in the manner provided therein.

(2) In making any assessment for the year ending on the 31st day of March, 1961,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" or any income chargeable under the head "Interest on Securities" or any income from dividends from which income-tax has been or might have been deducted under the provisions of section 18 of the Income-tax Act or in respect of which by virtue of section 49B of the Income-tax Act, as continued in force by sub-section (4) of section 19 of the Finance Act, 1959, he is deemed himself to have paid the income-tax imposed under the Income-tax Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1959, on his total income the same proportion as the amount of such inclusions bears to his total income; <sup>12 of 1959.</sup>

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance Act, 1959, on his total income the same proportion as the amount of such inclusion bears to his total income. <sup>12 of 1959.</sup>

(3) In making any assessment for the year ending on the 31st day of March, 1959, or for the year ending on the 31st day of March, 1960, or for the year ending on the 31st day of March, 1961, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, includes any profits and gains from life insurance business, the super-tax payable by it shall be the aggregate of the tax calculated— <sup>31 of 1956.</sup>

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable to the Life Insurance Corporation of India in accordance with the Finance Act of the relevant year; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(4) In cases to which section 17 of the Income-tax Act applies, the tax chargeable shall be determined as provided in that section, and with reference to the rates imposed by sub-section (1).

(5) In cases in which tax has to be deducted under section 18 of the Income-tax Act at the prescribed rates, the deduction shall be made at the rates specified in Part III of the First Schedule.

(6) For the purposes of this section, and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (6AA) of section 2 of that Act.

3. In section 19 of the Finance Act, 1959,—

Amendment  
of section 19,  
Act 12 of  
1959.

(i) after sub-section (3), the following sub-section shall be inserted, and shall be deemed always to have been inserted, namely:—

"(3A) The amendments to the Income-tax Act made by section 5, section 7, section 12, section 14 and section 15 shall, in relation to dividends declared or payable by a company in respect of the previous year relevant to the assessment for the year ending on the 31st day of March, 1961, have effect on and from the 1st day of April, 1959.";

(ii) in sub-section (4), after the words "declared or payable by a company", the words and figures "on or before the 30th day of June, 1960," shall be inserted, and shall be deemed always to have been inserted.

4. In section 9 of the Income-tax Act, in sub-section (2), for clause (a) of the third proviso, the following clause shall be substituted, namely:—

Amendment  
of section 9.

"(a) in the case of a property the construction of which was completed before the 1st day of April, 1950, the total amount of such taxes and in the case of any other property, one-half of the total amount of such taxes, shall, notwithstanding anything contained in such law, be deemed to be the tenant's liability for such taxes, and".

5. In section 10 of the Income-tax Act, in sub-section (2), for clause (xiii), the following clause shall be substituted, namely:—

Amendment  
of section 10.

"(xiii) any sum paid to a scientific research association having as its object the undertaking of scientific research or to a university, college or other institution to be used for scientific research or to a university, college or other institution to be used

for research in social science or statistical research related to the class of business carried on:

Provided that such association, university, college or institution is for the time being approved for the purposes of this clause by the prescribed authority;".

**Amendment of section 14.** 6. In section 14 of the Income-tax Act, for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) The tax shall not be payable by a co-operative society—

(i) in respect of its profits and gains of business carried on by it, if it is—

(a) a society engaged in carrying on the business of banking or providing credit facilities to its members; or

(b) a society engaged in a cottage industry; or

(c) a society engaged in the marketing of the agricultural produce of its members; or

(d) a society engaged in the purchase of agricultural implements, seeds, livestock or other articles intended for agriculture for the purpose of supplying them to its members; or

(e) a society engaged in the processing without the aid of power of the agricultural produce of its members; or

(f) a primary society engaged in supplying milk raised by its members to a federal milk co-operative society:

Provided that, in the case of a co-operative society which is also engaged in activities other than those mentioned in this clause, nothing contained herein shall apply to that part of its profits and gains as is attributable to such activities and as exceeds fifteen thousand rupees;

(ii) in respect of so much of its profits and gains of business carried on by it as does not exceed fifteen thousand rupees, if it is a co-operative society other than a co-operative society referred to in clause (i);

(iii) in respect of interest and dividends derived from its investments with any other co-operative society;

(iv) in respect of any income derived from the letting of godowns or warehouses for storage, processing or facilitating the marketing of commodities;

(v) in respect of any interest on securities chargeable under section 8 or any income from property chargeable

under section 9, where the total income of the co-operative society does not exceed twenty thousand rupees and the society is not a housing society or an urban consumer's society or a society carrying on transport business or a society engaged in the performance of any manufacturing operations with the aid of power:

Provided that nothing contained in this sub-section shall apply to—

(i) the Sanikatta Salt Owner's Society;

(ii) a co-operative society carrying on insurance business in respect of the profits and gains of that business computed in accordance with rule 9 in the Schedule.

*Explanation.*—For the purposes of this sub-section, an 'urban consumer's co-operative society' means a society for the benefit of the consumers within the limits of a municipal corporation, municipality, municipal committee, notified area committee, town area or cantonment."

7. In section 15B of the Income-tax Act, in clause (b) of the second proviso to sub-section (1), for the words "one twentieth of the assessee's total income" and "one hundred thousand rupees", the words "seven and a half per cent. of the assessee's total income" and "one hundred and fifty thousand rupees" shall respectively be substituted. Amendment of section 15B.

8. In section 15C of the Income-tax Act,—

(a) in clause (ii) of sub-section (2), for the word "thirteen", the word "eighteen" shall be substituted; and Amendment of section 15C.

(b) to sub-section (6), the following proviso shall be added, namely:—

'Provided that where the assessee is a co-operative society, this sub-section shall have effect as if for the words "four assessments" the words "six assessments" had been substituted.'

9. In section 18 of the Income-tax Act,—

(i) in sub-section (3D), after the words "declaration and payment of dividends", the brackets and words "(including dividends on preference shares)" shall be inserted; Amendment of section 18.

(ii) sub-section (3E) shall be omitted.

10. In section 18A of the Income-tax Act,—

(i) in clause (a) of sub-section (1), for the words "In the case of income in respect of which provision is not made under section 18 for deduction of income-tax at the time of payment", the words "In the case of income other than income chargeable Amendment of section 18A.

under the head 'Salaries' shall be substituted, and after the words "the amount of such inclusions bears to his total world income", the following words shall be inserted, namely:—

"The income-tax and super-tax so calculated shall be reduced by the amount of income-tax and super-tax which would be deductible during the said financial year in accordance with the provisions of section 18 on any income (other than income chargeable under the head 'Salaries') included in the said total income:";

(ii) in sub-section (3), for the words "to which the provisions of section 18 do not apply", the words "which is not chargeable under the head 'Salaries'" shall be substituted;

(iii) in sub-section (6),—

(a) for the words "regular assessment, so far as such tax relates to income to which the provisions of section 18 do not apply", the following words shall be substituted, namely:—

"regular assessment (reduced by the amount of tax deductible in accordance with the provisions of section 18 on any income, other than income chargeable under the head 'Salaries', included in such assessment), so far as such tax relates to income other than income chargeable under the head 'Salaries'";

(b) in the second proviso, for the words "to which the provisions of section 18 do not apply", the words "other than income chargeable under the head 'Salaries'" shall be substituted.

Amendment  
of section  
23A.

11. In section 23A of the Income-tax Act,—

(i) in sub-section (2), in clause (i), for the words "ninety per cent.", the words "eighty per cent." shall be substituted;

(ii) in *Explanation* 2, for the figures "100%", where they occur, the figures "90%" shall be substituted.

Insertion of  
new section  
49BB.

12. After section 49B of the Income-tax Act, the following section shall be inserted, namely:—

Relief to  
company in  
respect of  
dividend  
paid out of  
past taxed  
profits.

"49BB. (1) Where in respect of any previous year relevant to the assessment year commencing after the 31st day of March, 1960, an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India, pays any dividend wholly or partly out of its profits and gains actually charged to income-tax for any

assessment year ending before the 1st day of April, 1960, and deducts tax therefrom in accordance with the provisions of section 18, credit shall be given to the company against the income-tax, if any, payable by it on the profits and gains of the previous year during which the dividend is paid, of a sum calculated in accordance with the provisions of sub-section (2), and where the amount of credit so calculated exceeds the income-tax payable by the company as aforesaid, the excess shall be refunded.

(2) The amount of income-tax to be given as credit under sub-section (1) shall be a sum equal to ten per cent. of so much of the dividends referred to in sub-section (1) as are paid out of the profits and gains actually charged to income-tax for any assessment year ending before the 1st day of April, 1960.

*Explanation I.*—For the purposes of this section, the aggregate of the dividends declared by a company in respect of any previous year shall be deemed first to have come out of the distributable income of that previous year and the balance, if any, out of the undistributed part of the distributable income of one or more previous years immediately preceding that previous year as would be just sufficient to cover the amount of such balance and as has not likewise been taken into account for covering such balance of any other previous year.

*Explanation II.*—The “distributable income” of any previous year shall mean the total income assessed for that year as reduced by—

(i) the amount of income-tax and super-tax payable by the company in respect of the said total income:

(ii) the amount of any other tax levied under any law for the time being in force on the company by the Government or by a local authority in excess of the amount, if any, which has been allowed in computing the total income;

(iii) the amount paid to any charitable institution or fund to the extent to which it is exempt from tax under section 15B; and

(iv) in the case of a banking company, the amount actually transferred to a reserve fund under section 17 of the Banking Companies Act, 1949,

and as increased by—

(a) any profits and gains or receipts of the company not included in its total income; and

(b) any amount attributable to any allowance made in computing the profits and gains of the company for purposes of assessment, which the company has not taken into account in its profit and loss account.”.

Wealth tax  
not to be  
levied on  
companies  
from 1960-  
61.

13. Notwithstanding anything contained in the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act), no tax shall be charged in respect of the net wealth of a company for any financial year commencing on or after the 1st day of April, 1960. 27 of 1957.

Amendment  
of section 5.

14. In section 5 of the Wealth-tax Act, in clause (xx) of sub-section (1), for the words “if on the relevant valuation date the provisions of this Act are not applicable to the company by reason of the provisions contained in that section”, the following words shall be substituted, namely:—

“for a period of five successive assessment years commencing with the assessment year next following the date on which the company is established, which period shall, in the case of a company established before the commencement of this Act, be computed in accordance with this Act from the date of its establishment as if this Act had been in force on and from the date of its establishment”.

Amendment  
of section 5.

15. In section 5 of the Expenditure-tax Act, 1957 (hereinafter referred to as the Expenditure-tax Act), in clause (d), for the word, brackets, figures and letter “clause (via)”, the words, brackets, figures and letters “sub-clause (a) of clause (via)” shall be substituted. 29 of 1957.

Amendment  
of section 6.

16. In section 6 of the Expenditure-tax Act,—

(i) in sub-section (1),—

(a) for clause (g), the following clause shall be substituted, namely:—

“(g) any expenditure incurred by the assessee in respect of the education of himself or any of his dependants, and where the assessee is a Hindu undivided family, of any member of the family—

(i) if the expenditure is incurred in India, subject to a maximum of rupees three thousand per year; and

(ii) if the expenditure is incurred in any country outside India, subject to a maximum of rupees eight thousand per year;”;



(b) after clause (i), the following clause shall be inserted, namely:—

“(j) any expenditure incurred by the assessee for travel in India in connection with his proceeding on a holiday and any expenditure incurred on behalf of the assessee by his employer by way of travel concession or assistance in connection with his proceeding on leave in India, subject in the aggregate to a maximum of rupees one thousand five hundred per year.”;

(ii) for sub-section (4), the following sub-section shall be substituted, and shall be deemed always to have been substituted, namely:—

“(4) If the assessee proves in any year that, in respect of any sum out of which any expenditure incurred is chargeable to tax under this Act, he has paid in any foreign country any income-tax, wealth-tax, expenditure-tax, gift-tax or estate duty under any law for the time being in force in that country and that any such tax or duty has been included in the expenditure chargeable to tax under this Act, he shall be entitled to a deduction of the full amount of such tax and duty paid in the foreign country.”.

18 of 1958.

17. For section 18 of the Gift-tax Act, 1958, the following section shall be substituted, namely:—

Substitution of new section for section 18.

“18. If a person making a taxable gift pays into the treasury within fifteen days of his making the gift the amount of tax due on the gift calculated at the rates specified in the Schedule, he shall, at the time of assessment under section 15, be given credit, in addition to the amount so paid, for an amount equal to ten per cent. of the amount so paid.

Rebate on advance payments.

*Explanation.*—If a person makes more than one taxable gift in the course of a previous year, the amount of tax due on any one of such gifts shall be the difference between the total amount of tax due on the aggregate value of all taxable gifts so far made, including the taxable gift in respect of which tax has to be paid, calculated at the rates specified in the Schedule and the total amount of tax on the aggregate value of all the gifts made during that year excluding the taxable gift in respect of which tax has to be paid.”.

18. The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in the Second Schedule.

Amendment of Act 32 of 1934.

Amendment  
of Act I of  
1949.

19. In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1960", the figures "1961" shall be substituted.

Amendment  
of Act I of  
1944.

20. In the First Schedule to the Central Excises and Salt Act, 1944,—

(a) in Item No. 1, for the entry in the third column, the entry "Twenty-eight and three-fourths *naye paise* per imperial gallon" shall be substituted;

(b) in Item No. 4, for the entry in the third column, the entry "One rupee and forty-five *naye paise* per imperial gallon" shall be substituted;

(c) in Item No. 8, in the second column, for the words "‘Sugar’ means any form of sugar containing more than ninety per cent. of sucrose", the words "‘Sugar’ means any form of sugar in which the sucrose content, if expressed as a percentage of the material dried to constant weight at 105° Centigrade, would be more than ninety" shall be substituted;

(d) in Item No. 10, for sub-item (2), the following sub-items shall be substituted, namely:—

"(2) For cycles (other than motor cycles)—

(a) tyres . . . Sixty *naye paise* per tyre or fifteen per cent. *ad valorem*, whichever is higher,

(b) tubes . . . Thirty *naye paise* per tube or fifteen per cent. *ad valorem*, whichever is higher.

(3) All other tyres . . . Fifteen per cent. *ad valorem*."

(e) in Item No. 12,—

(1) for sub-items (b) and (c), the following sub-items shall be substituted, namely:—

"(b) if it contains 40 per cent. or more by weight of silk;

(c) if it contains 60 per cent. or more by weight of rayon or artificial silk; or

(d) if manufactured on a handloom."

(2) after sub-item (4), the following sub-item shall be inserted, namely:—

"(5) Cotton fabrics, not otherwise specified. Thirty-seven *naye paise* per square yard."

(3) *Explanation III* in the second column shall be omitted;

(f) in Item No. 12A,—

(1) for sub-items (ii), (iii) and (iv), the following sub-items shall be substituted, namely:—

"(ii) if it contains 40 per cent. or more by weight of silk;

- (iii) if it contains cotton and less than 60 per cent. by weight of rayon or artificial silk;
- (iv) if it contains no cotton and less than 40 per cent. by weight of wool and less than 40 per cent. by weight of rayon or artificial silk; or
- (v) if manufactured on a handloom;"

(2) the *Explanation* in the second column shall be omitted;

(g) after Item No. 12A, the following Item shall be inserted, namely:—

"12 B. SILK FABRICS—

'Silk Fabrics' include all varieties of fabrics manufactured either wholly or partly from silk but do not include any such fabric—

- (i) if it contains 40 per cent. or more by weight of wool;
- (ii) if it contains cotton or artificial silk or both and less than 40 per cent. by weight of silk;
- (iii) if it contains no cotton and no artificial silk and less than 40 per cent. by weight of wool and less than 40 per cent. by weight of silk; or
- (iv) if manufactured on a handloom."

(h) the existing Item No. 12B shall be re-numbered as Item No. 12C;

(i) in Item No. 14, in the entry in the third column, for the figures and words "19 *naye paise* per lb.", the figures and words "30 *naye paise* per lb." shall be substituted;

(j) for Item No. 17, the following Item shall be substituted, namely:—

"17. FOOTWEAR—

'Footwear' includes all varieties of footwear, whether known as boots, shoes, sandals, chappals or by any other name, and component parts thereof:—

- (1) Footwear produced in any factory including the precincts thereof whereon fifty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which the process of manufacturing footwear is being carried on with the aid of power or is ordinarily so carried on, the total equivalent of such power exceeding two horsepower, Ten per cent. *ad valorem*.
- (2) component parts of footwear in, or in relation to the manufacture of, which any process is ordinarily carried on with the aid of power, Fifteen per cent. *ad valorem*."

(k) in Item No. 18, for the entries in the third column against sub-items (1), (2), (3) (a) (i), (3) (a) (ii), (3) (a) (iii), (3) (b) (i), (3) (b) (ii) and (3) (b) (iii), the entries "Seven rupees and fifty *naye paise* per fan", "Fifteen rupees per fan", "Five rupees and twenty-five *naye paise* per motor", "Two rupees and sixty-five *naye paise* per fan", "Fifteen rupees per fan", "Five rupees rotor", "Ten rupees and fifty *naye paise* per motor", "Five rupees and twenty-five *naye paise* per stator" and "Five rupees and twenty-five *naye paise* per rotor" shall, respectively, be substituted;

(l) in Item No. 19.—

(i) for the entries in the third column against sub-items (1) (i), (1) (ii) and (1) (iii) and (2), the entries "Ten *naye paise* per bulb", "Forty *naye paise* per bulb", "Eighty *naye paise* per bulb" and "Forty *naye paise* per foot" shall respectively be substituted;

(ii) for sub-item (3), the following sub-items shall be substituted namely:—

- |                                                |                     |                     |
|------------------------------------------------|---------------------|---------------------|
| "(3) Sodium and mercury vapour discharge lamps | . Five per cent.    | <i>ad valorem.</i>  |
| (4) All sorts, not otherwise specified         | . Fifteen per cent. | <i>ad valorem."</i> |

(m) in Item No. 20, for the entries in the third column against sub-items (1), (2) and (3), the entries "Fifteen per cent. *ad valorem*", "Fifteen per cent. *ad valorem*" and "Seventeen and half per cent. *ad valorem*" shall respectively be substituted;

(n) in Item No. 21, for sub-items (5), (6), (7), (8), (9) and (10), the following sub-items shall be substituted, namely:—

- |                                                                               |                                    |
|-------------------------------------------------------------------------------|------------------------------------|
| "(5) straw board, other than corrugated board                                 | . Five <i>naye paise</i> per lb.   |
| (6) duplex and triplex board                                                  | . Ten <i>naye paise</i> per lb.    |
| (7) pulp board, not otherwise specified, including grey board and mill board. | Ten <i>naye paise</i> per lb.      |
| (8) corrugated board                                                          | . Ten <i>naye paise</i> per lb.    |
| (9) coated board (including art, chrome and board for playing cards)          | Fifteen <i>naye paise</i> per lb.  |
| (10) paper and paper board, all sorts, not otherwise, specified.              | Fifteen <i>naye paise</i> per lb." |

(o) in Item No. 24, in the third column for the words "*plus eighty naye paise* per imperial gallon", the words "*plus one rupee and seventeen naye paise* per imperial gallon" shall be substituted;

(p) in item No. 25, for the entries in the third column against sub-items (a) and (b), the entries "Sixteen per cent. *ad valorem plus sixty-five rupees* per ton" and "Sixteen per cent. *ad valorem plus thirty rupees* per ton" shall respectively be substituted;

(q) for Item No. 27, the following Item shall be substituted, namely:—

“27. MOTOR VEHICLES—

‘Motor Vehicles’ means all mechanically propelled vehicles adapted for use upon roads, and includes a chassis and a trailer ; but does not include a vehicle running upon fixed rails,—

- |                                                                                                                                           |                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| (1) Autocycles, motor cycles, scooters, auto-rickshaws and any other three-wheeled motor vehicles                                         | One hundred and seventy-five rupees each.                                                                  |
| (2) Motor vehicles of not more than 16 H.P. by Royal Automobile Club (R.A.C.) rating                                                      | One thousand rupees each.                                                                                  |
| (3) Motor Cars of more than 16 H.P. by Royal Automobile Club (R.A.C.) rating, constructed or adapted to carry not more than nine persons. | Three thousand rupees each or fifteen per cent. <i>ad valorem</i> whichever is higher.                     |
| (4) Motor vehicles, not otherwise specified                                                                                               | Two thousand five hundred rupees each or twelve and half per cent. <i>ad valorem</i> whichever is higher”. |

(r) after Item No. 28, the following Items shall be inserted, namely:—

“ 29. CYCLES, PARTS OF CYCLES OTHER THAN MOTOR CYCLES, NAMELY—

- |                 |                   |
|-----------------|-------------------|
| (i) free wheels | Two rupees each.  |
| (ii) rims       | Four rupees each. |

30. INTERNAL COMBUSTION ENGINES, ALL SORTS, NAMELY—

- |                                                                                                                                                                                                               |                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| (i) those designed for use as a prime-mover for transport vehicles and have been given for that purpose some special shape, size or quality which would not be essential for their use for any other purpose. | Ten per cent. <i>ad valorem</i> .  |
| (ii) Others                                                                                                                                                                                                   | Five per cent. <i>ad valorem</i> . |

31. ELECTRIC MOTORS, ALL SORTS AND PARTS THEREOF, NAMELY—

- |                                                                                                           |                                       |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------|
| (1) those designed for use in circuits of less than 10 amperes and at a pressure not exceeding 250 volts. | Fifteen per cent. <i>ad valorem</i> . |
| (2) those designed for use in circuits at a pressure exceeding 400 volts, and                             |                                       |
| (i) with a rated capacity not exceeding 10 H. P.                                                          | Ten per cent. <i>ad valorem</i> .     |
| (ii) exceeding 10 H. P.                                                                                   | Five per cent. <i>ad valorem</i> .    |
| (3) all others                                                                                            | Fifteen per cent. <i>ad valorem</i> . |
| (4) parts of electric motors                                                                              | Fifteen per cent. <i>ad valorem</i> . |

## 32. CINEMATOGRAPH FILMS, EXPOSED—

		Of a width of 30 mm. or higher	Below 30 mm. in width
(1) News reels and shorts not exceeding metres.	500	Fifteen <i>naye</i> paise per metre.	Ten <i>naye</i> paise per metre.
(2) Feature films, advertisement shorts, and films not otherwise specified.		Fifty <i>naye</i> paise per metre.	Thirty-three <i>naye</i> paise per metre.

## 33. ALUMINIUM—

(a) In any crude form including ingots, bars, blocks, slabs, billets, shots and pellets.	Three hundred rupees per metric tonne.
(b) Manufactures, the following, namely, plates, sheets, circles, strips and foils in any form or size.	Five hundred rupees per metric tonne.

34. TIN PLATE AND TINNED SHEETS INCLUDING TIN TAGGERS, AND CUTTINGS OF SUCH PLATES, SHEETS OR TAGGERS	Two hundred rupees per metric tonne.
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35. PIG IRON	Ten rupees per metric tonne."
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Amendment  
of Act 12 of  
1953.

21. In section 2 of the Khadi and Other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953, in clause (b), for the words "and rayon or artificial silk fabrics", the words "silk and rayon or artificial silk fabrics" shall be substituted.

Amendment  
of Act 58 of  
1957.

22. In the Additional Duties of Excise (Goods of Special Importance) Act, 1957,—

(a) in clause (c) of section 2, for the figures and letter "12B", the figures and letter "12C" shall be substituted;

(b) in the First Schedule, in the entry relating to Item No 12, after sub-item (4), the following sub-item shall be inserted, namely:—

(5) Cotton fabrics, not otherwise specified . . . . . Thirteen *naye* paise per square yard."

Discontinu-  
ance of salt  
duty.

23. For the year beginning on the 1st day of April, 1960, no duty under the Central Excises and Salt Act, 1944, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

1 of 1944.

## THE FIRST SCHEDULE

(See section 2)

## PART I

*Income-tax and surcharges on income-tax**Paragraph A*

(i) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case—

*Rates of Income-tax*

	Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener.	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener.	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener.
	Rs.	Rs.	Rs.
(1) On the first	3,000 of total income.	3,300 of total income.	3,600 of total income.
(2) On the next	2,000 „	1,700 „	1,400 „
(3) On the next	2,500 „	2,500 „	2,500 „
(4) On the next	2,500 „	2,500 „	2,500 „
(5) On the next	2,500 „	2,500 „	2,500 „
(6) On the next	2,500 „	2,500 „	2,500 „
(7) On the next	5,000 „	5,000 „	5,000 „
			Nil
			3%
			6%
			9%
			11%
			14%
			18% ;

(ii) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or other association of persons, not being a case to which any other Paragraph of this Part applies:—

	Rs.	
(1) On the first	1,000 of total income	Nil
(2) On the next	4,000 „ „	3%
(3) On the next	2,500 „ „	6%
(4) On the next	2,500 „ „	9%
(5) On the next	2,500 „ „	11%
(6) On the next	2,500 „ „	14%
(7) On the next	5,000 „ „	18%
(8) On the balance of total income		25% ;

Provided that for the purposes of this Paragraph—

(i) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit;

(iii) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(a) the income-tax which would have been payable if the total income had been Rs. 20,000;

(b) half the amount by which the total income exceeds Rs. 20,000;

The limit aforesaid shall be—

(i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 3,000 in every other case.

#### *Surcharges on income-tax*

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(a) A surcharge for purposes of the Union equal to the sum of—

(i) five per cent. of the amount of income-tax; and

(ii) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000;

(b) A special surcharge at fifteen per cent. of the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income:

Provided that—

(i) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below;



(ii) no special surcharge shall be payable in the case of an assessee whose total income does not include any income from dividend on ordinary shares if his total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares, such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less:

Provided further that—

(a) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case;

(b) the surcharge for purposes of the Union and the special surcharge, both together, shall not exceed half the amount by which the total income exceeds the limit specified below;

The limit aforesaid shall be—

(i) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 7,500 in every other case.

*Explanation.*—For the purposes of this Paragraph, in the case of every Hindu undivided family governed by the *Mitakshara* law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grand-father notwithstanding any custom to the contrary.

#### *Paragraph B*

In the case of every local authority,—

#### *Rate of income-tax*

On the whole of the total income

30%

#### *Surcharge on income-tax*

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 5 per cent. of the amount of income-tax.

*Paragraph C*

In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

*Rate of income-tax*

On the whole of the total income .. .. 25%

*Surcharges on income-tax*

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(a) a surcharge for purposes of the Union of five per cent. of the amount of income-tax; and

(b) a special surcharge of fifteen per cent. of the amount of income-tax.

*Paragraph D*

In the case of every company,—

*Rate of income-tax*

On the whole of the total income .. 20%

*Paragraph E*

In the case of every registered firm,—

*Rates of income-tax*

- |                                             |    |     |
|---------------------------------------------|----|-----|
| (1) On the first Rs. 40,000 of total income | .. | Nil |
| (2) On the next Rs. 35,000 of total income  | .. | 5%  |
| (3) On the next Rs. 75,000 of total income  | .. | 6%  |
| (4) On the balance of total income          | .. | 9%  |

## PART II

*Super-tax and surcharges on super-tax**Paragraph A*

In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other Paragraph of this Part applies,—

*Rates of super-tax*

- |                                             |    |     |
|---------------------------------------------|----|-----|
| (1) On the first Rs. 20,000 of total income | .. | Nil |
| (2) On the next Rs. 5,000 of total income   | .. | 5%  |
| (3) On the next Rs. 5,000 of total income   | .. | 15% |
| (4) On the next Rs. 10,000 of total income  | .. | 20% |
| (5) On the next Rs. 10,000 of total income  | .. | 30% |
| (6) On the next Rs. 10,000 of total income  | .. | 35% |
| (7) On the next Rs. 10,000 of total income  | .. | 40% |
| (8) On the balance of total income          | .. | 45% |

*Surcharges on super-tax*

The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under :—

(a) A surcharge for purposes of the Union equal to the sum of—

(i) five per cent. of the amount of super-tax; and

(ii) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000 ;

(b) A special surcharge at fifteen per cent. of the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income had been the total income.

*Paragraph B*

In the case of every local authority,—

*Rate of super-tax*

On the whole of the total income	..	..	16%
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*Surcharge on super-tax*

The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

*Paragraph C*

In the case of every association of persons being a co-operative society as defined in clause (5B) of section 2 of the Income-tax Act,—

*Rates of super-tax*

(1) On the first Rs. 25,000 of total income	..	..	Nil
(2) On the balance of total income	..	..	16%

*Surcharge on super-tax*

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

*Paragraph D*

In the case of every company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,—

*Rates of super-tax*

On the whole of the total income .. .. 55%

Provided that—

(i) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company; at the rate of 40 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1961, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits in accordance with the provisions of sub-section (3D) of section 18 of that Act; and

(b) is such a company as is referred to in sub-section (9) of section 23A of the Income-tax Act with a total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company; at the rate of 35 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 30 per cent. on the balance of the total income shall be allowed in the case of any company which satisfies condition (a) but not condition (b) of the preceding clause;

(iii) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company; at the rate of 22 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 12 per cent. on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses:

Provided further that—

(i) the amount of the rebate under clause (i) or clause (ii) of the preceding proviso shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:—

(a) on the aggregate of the sums computed in the manner provided in clause (i) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance Act, 1959, as reduced by the amount, if any, which is deemed to have been taken into account, in accordance with clause (ii) of the said proviso, for the purpose of reducing the rebate mentioned in clause (i) of the said proviso to nil; and

12 of 1959.

(b) on the amount representing the face value of any bonus at the rate of 30% shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital;

(ii) where the sum arrived at in accordance with clause (i) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (i) or clause (ii), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (a) and (b) of clause (i) of this proviso as is sufficient, in that order, to reduce the rebate to nil shall be deemed to have been taken into account for the purpose:

Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand, shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand; and

(b) half the amount by which its total income exceeds rupees twenty-five thousand.

*Explanation.*—For the purposes of this Paragraph, where any portion of the profits and gains of a company is not included in its total income by reason of such portion being agricultural income, the amount representing the face value of any bonus shares and the amount of any bonus issued to its shareholders shall each be deemed to be such proportion thereof as the average of the total income of the company in the five previous years in which the company has been in receipt of taxable income immediately preceding the relevant previous year bears to the average of its total profits and gains (excluding capital receipts) for the preceding five years aforesaid, reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profit and loss accounts for the preceding five years aforesaid.

### Paragraph E

31 of 1956. In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,—

#### Rate of super-tax

On the whole of its profits and gains from life insurance business

22·5%

### PART III

*Rates for deduction of tax under section 18 of the Income-tax Act at the prescribed rates*

In every case in which under the provisions of section 18 of the Income-tax Act, tax is to be deducted at the prescribed rates, deduc-

tion shall be made from the income subject to deduction at the following rates:—

	Income-tax			Super-tax	
	Rate of income-tax	Rates of Surcharges		Rate of super-tax	Rates of surcharges
		Surcharge for purposes of the Union	Special surcharge		

1. In the case of a person other than a company—

(a) in every case, on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free), and

25%

1.25%

3.75%

(b) in addition, where the person is one whom the person responsible for paying the income has no reason to believe to be resident in the taxable territories, on the whole income.

Super-tax and surcharges on super-tax in accordance with the provisions of clause (b) of subsection (1) of section 17 of the Income-tax Act.

	Rate of Income-tax	Rate of Super-tax
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2. In the case of a company—

(a) in every case—

(i) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free); and 20%

(ii) on the whole income (excluding dividends payable by an Indian company referred to in section 56A of the Income-tax Act); and 10%

(b) in addition, where the company is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—

(i) on the income from dividends (excluding dividends payable by its subsidiary Indian company, if any, or by an Indian company referred to in section 56A of the Income-tax Act)—

(a) on dividends payable by an Indian company formed and registered on or after the 1st day of April, 1959. 23%

(b) on any other dividend . . . . . 33%

(ii) on any other income, not being income from dividends 33%

## THE SECOND SCHEDULE

(See section 18)

## PART I

In the First Schedule to the Tariff Act,—

(i) in Item No. 22 (1), for the existing entries in the fourth column against sub-items (a), (b), (c), (d) and (e), the entries “Rs. 6 per Imperial gallon”, “Re. 1 per bottle”, “50 naye paise per bottle”, “25 naye paise per bottle” and “Rs. 7·50 per Imperial gallon”, respectively, shall be substituted;

(ii) in Item No. 22 (2), for the existing entries in the fourth column against sub-items (a), (b), (c), (d) and (e), the entries “Rs. 12 per Imperial gallon”, “Rs. 2 per bottle”, “Re. 1 per bottle”, “50 naye paise per bottle” and “Rs. 15 per Imperial gallon”, respectively, shall be substituted;

(iii) in Item No. 22 (3), for the existing entries in the fourth column against sub-items (a) and (b), the entries “Rs. 80 per Imperial gallon” and “Rs. 50 per Imperial gallon”, respectively, shall be substituted;

(iv) in Item No. 22 (4),—

(1) for the existing entries in the fourth column against each of the sub-items (a) and (b) (i), the entry “Rs. 150 per Imperial gallon of the strength of London proof or 125 per cent. *ad valorem*, whichever is higher” shall be substituted;

(2) for the existing entry in the fourth column against sub-item (b) (i), the entry “Rs. 200 per Imperial gallon or 125 per cent. *ad valorem*, whichever is higher”, shall be substituted;

(v) in Item No. 27 (4) (a), for the existing entry in the fourth column, the entry “The rate at which excise duty is for the time being leviable on kerosene” shall be substituted;

(vi) in Items Nos. 29 (1), 48, 63 (4), 63 (10), 66 (a), 66 (1) and 75 (8), to each of the respective entries in the fourth column, the words “plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty” shall be added.

## PART II

Item No.	Name of article.]	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7

In the first Schedule to the Tariff Act,—

(i) after Item No. 73 (20), the following Items shall be inserted, namely:—

“73(21)	Electric motors, all sorts, and parts thereof.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India and where such duty is leviable at different rates, the highest duty; and the duty so leviable shall be in addition to the duty leviable on the article under any of the other Items in this Schedule.	..	..	..
73(22)	Internal combustion engines, all sorts.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India and where such duty is leviable at different rates, the highest duty; and the duty so leviable shall be in addition to the duty leviable on the article under any of the other Items in this Schedule.	..	..	”



1	2	3	4	5	6	7
(ii) After Item No. 75 (18), the following Item shall be inserted, namely:—						
"75(19)	Mechanically propelled vehicles adapted for use upon roads, including chassis and trailers, but not including vehicles intended to run upon fixed rails.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India and where such duty is leviable at different rates, the highest duty ; and the duty so leviable shall be in addition to the duty leviable on the article under any of the other items in this Schedule.			"

G. R. RAJAGOPAUL, Secy.

